



SEP 12 2005

August 26, 2005

FDIC – San Francisco Regional Office  
Regional Director John F. Carter  
25 Jessie Street at Ecker Square, Suite 2300  
San Francisco, California 94105

Mr. Carter,

I am writing to you today to offer personal comments on the fourth attempt by Wal-Mart to obtain an Industrial Loan Company charter in the state of Utah. First, it is important to note that the lack of full disclosure on the application by Wal-Mart to the FDIC makes it exceedingly difficult to fully assess the impact to the safety and soundness of the financial market or to comment on it. Full disclosure of the application contents and the ability for the public to review and comment on it is essential.

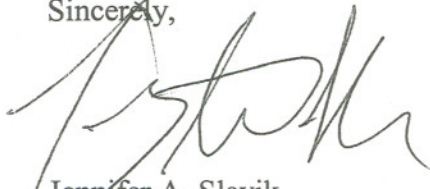
With the public portions of the application filed professing a narrow business plan for the ILC, we need to evaluate those items not made public. Furthermore, it is essential to assess past practices by the world's largest retailer and understand the amount of market force they have. While the focus may profess to be narrow today, tomorrow it may be something entirely different. Wal-Mart has been very public over the last several years about its desire to emerge into the banking industry and build a nationwide branch network. There is long standing public policy that strives to prevent full blown mixing of commerce and banking. These are essential practices for obvious reasons; reasons that I trust the FDIC agrees with and understands fully. Wal-Mart's repeated attempts to gain a foothold in banking and combine this with its retail operations nationwide gives rise to skepticism about the professed narrow focus of their plan.

The GLBA act of 1999 re-affirmed our nation's policy of separating banking and commerce. It shut down a 1998 attempt by Wal-Mart to buy a unitary thrift in Oklahoma. Later, the OTS also blocked an attempt by Wal-Mart to enter the banking industry in conjunction with TD Bank via profit sharing with the bank based on business generated in a proposed 100 stores in the US and having Wal-Mart employees performing banking transactions at those locations. OTS found that such action would give Wal-Mart illegal control over TD Bank thus circumventing GLBA. As you know, the last attempt was in 2002 when Wal-Mart tried to purchase an ILC in California. The state responded by passing legislation that prohibited commercial companies from owning ILCs. Since that time, many states have followed with California, but Utah is not one of them. And now Wal-Mart is continuing its relentless pursuit to skirt public policy and the law by trying to charter a Utah ILC.

The past eight years of failed attempts demonstrate Wal-Mart's willingness to exploit loopholes and sneak by public policy. Does that code of ethical conduct lend itself to the banking industry? Numerous federal and state level regulators, lawmakers, and associations have gotten involved and all have voiced the same negative response. The time is now for the banking industry and lawmakers to send a final message to Wal-Mart voicing our opinions that we do not want commercial companies to have ILCs. Wal-Mart has already destroyed the local retail vibrancy of many rural towns in the US. Are we willing to sacrifice the vibrancy of the community banking industry? Furthermore, ILCs operate outside the Federal Reserve System at the holding company level. The negative impact is endless; the safety and soundness of the entire industry would be placed in jeopardy if Wal-Mart is able to own and operate a nationwide bank.

For the reasons stated previously, I urge the FDIC to reject Wal-Mart's application for federal deposit insurance for a Wal-Mart ILC. The threat of community disinvestment is particularly acute. Our nation's long standing principle of separating banking and commerce, re-affirmed by the GLBA act in 1999, is the underpinning for our stable and successful economic system, and it should not be allowed to be skirted by the world's largest commercial company.

Sincerely,



Jennifer A. Slavik  
Teller